

Interview: Satoru Iwata - Transcript

Exclusive and extensive interview with Nintendo President Satoru Iwata on Nintendo DS, PSP, Shigeru Miyamoto, Hiroshi Yamauchi and Nintendo Revolution.

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When he took presidency at Nintendo Co. Ltd almost exactly two years ago, Satoru Iwata wasn't doing the same job he's now admired for. Back then his job was to sell GameCubes and GBAs. Now he is charged with the massive task of making Nintendo viable against living room behemoths Sony and Microsoft in the next generation. And never have we been more confident that Nintendo and its fans are in safe hands.



How does he plan to do it? By doing what Nintendo does best - innovating. This much we know from his speech at Nintendo's E3 briefings this year and last. But is that enough?

On the agenda:

- Nintendo DS and its E3 showing and software line-up.
- The delay of Nintendo DS in Europe - an official apology!
- Relationship with developers and how they could be improved.
- The next generation Nintendo home system.
- How will the next generation battle take place?
- Why Iwata believes there won't be a bright future waiting for Microsoft or Sony in next gen.
- In strategic terms, how will Nintendo compete with Xbox 2 and PS3?
- On Sony PSP - will it succeed and will DS compete?
- Hiroshi Yamauchi - his current role at Nintendo and his surprising level of involvement with Nintendo DS.

- Shigeru Miyamoto - what does his new role mean, and how much involvement does he have in specific projects?
- Mr Iwata also discusses his new responsibilities and his own personal involvement in current projects.
- Nintendo's current financial position.

Here is the full transcript of our [exclusive video interview feature, available here.](#)

Adam Doree

Director, Kikizo

Interview conducted by Steve Boxer and Adam Doree

Kikizo: The best place to start is probably the DS, I'm quite interested in the game support because upstairs you have, sort of demos really, but can you tell me how many games there are going to be for it at launch?

Satoru Iwata: As a matter of fact there are many other software titles in developed inside Nintendo and of course outside of Nintendo right now, but I think in terms of the E3 show, we really had to limit the number of software titles that can be played. Specifically, the time is limited for each player to test play each demo unit. Accordingly, we have to focus upon only the technical demonstrations that can show a glimpse of ability or possibilities of the DS technology. And as I said there are many other software titles in development right now, but actually we have not yet decided which software titles we should launch simultaneously with the hardware. And when we are ready to complete each specific software title, they're going to be different. After all, if when people buy it they are willing to spend twenty, thirty or forty minutes on it or much more, then they can feel that this is quite different, and this DS is quite unique and unprecedented. So let me repeat that today what you are seeing is just a glimpse of the technical demonstrations.

"We have not yet decided which software titles we should launch simultaneously with the Nintendo DS."

- Satoru Iwata



Kikizo: One thing I found slightly disappointing was that you announced it will be launched in the US and Japan this year but not in Europe until next year. I hate to say this but there's a slight feeling, particularly in the UK, that Nintendo's more interested in the American and Japanese markets than in Europe, and Europe's like the poor relation, and I don't know whether you'd agree with that...

Satoru Iwata: Well, yes, in this opportunity I really want to apologise to the fans of Nintendo products in Europe. It is true that we are often late in introducing you to the new products compared with Japan and the United States. Having said that however, not all games are late in their European arrival. For example, we are now showing the *Metroid Prime 2: Echoes* game for Nintendo GameCube, and we are now putting our energies so that the European version of *Metroid Prime 2: Echoes* will be launched in Europe by the end of this year, at the sacrifice of the Japanese launch by the end of this year, so please understand that it's not always the case that Nintendo is late in introducing software in European territories. And specifically of course we are in a limited capacity of production when we discuss certain new product, when we talk about the preparation of hardware and software, Europe is always the territory that requires us to translate so many languages for both hardware and software, which includes programming of software as well. In terms of the number of units available and language translation issues, we are sorry, but Europe is going to be a little bit late in receiving the DS. But compared with the timeframe when we introduced GameCube, I believe the gap, or wait is much shorter.

"Metroid Prime 2: Echoes will be launched in Europe by the end of this year, at the sacrifice of the Japanese launch."

- Satoru Iwata

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Kikizo: So early next year then? [Mr Iwata nods and smiles] Good! Another thing, I speak to a lot of developers, and they always have Microsoft and Sony coming to them all the time and trying to get them to develop for their platforms, but particularly in the UK, and as you know there is a very major development scene there, say that they never quite get that from Nintendo. Do you feel that's somewhere where the company could improve?

Satoru Iwata: Well if you look around the showfloor at Nintendo today, there are two new software titles that are developed in the UK. One is

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the *Advanced Wars: Under Fire* game, and another is the *Mario Pinball* game. But yes, you are right, Nintendo historically is not so active enough in building up the working relationships with the European developers. But I can say that things are improving right now, however I am not satisfied in the current condition and I believe we need to make efforts to improve our relationship with European developers even further.



Kikizo: OK, that's cool, perhaps that's something you will do for the next generation home console... You mentioned that you're making one [yesterday](#) but you didn't really go into any other details other than saying that like the DS, it will focus on new forms of gameplay. Is there anything else you can tell us about the next generation machine for the home?

Satoru Iwata: What I can tell you today is very limited. For example when we first announced the existence of the DS project we only revealed the fact that it is going to have two screens, and now we are talking about Wi-Fi technologies, touch screen and what not. And I believe that the people are now really surprised to see the quite new system we are now offering to the public. If we were simply saying, look, we are now beefing up the technology of GameBoy Advance, the processing power shall be twice as powerful and the graphics capability shall be like this compared to the GBA, that's something people are expecting and there is no surprise at all. However DS can tell you how serious we are about changing the way games are played, and we really want to establish the same with the introduction of the new home console system as well. And I'm sorry but that's the only thing I can tell you that is not just beefing up CPU power of the graphics power ten times or twenty times as much as GameCube today, but we really need to change the [hardware] system so that people can see that Nintendo is changing the way how games are played.

"If we cannot change the user interface of the current home console system... it must be difficult for anyone to persuade people to purchase so-called next gen consoles."

- Satoru Iwata

Kikizo: OK, because the next generation of consoles is approaching now. I know Sony hasn't said much apart from some technology mentions, and Microsoft has development kits for Xbox 2 around all the publishers, and it will announce it very soon. How do you see the next generation battle taking place?

Satoru Iwata: Well I really don't believe that there will be a bright future waiting for the so-called next generation consoles that Sony and Microsoft are advocating right now. As you may know I was developing games until quite recently myself, I know how it is, and if any of these developers come to me and say, look, CPU or processing power is ten times as much as today, graphic capability is twenty times, then I will say, that means more workload and slight difference with the current system in terms of letting people understand how improved the graphics shall be. So just as we have established with handheld gaming with the DS, just for example, if we cannot change the user interface of the current home console system, and let consumers understand we are changing how the games are being played, then I am sorry, but it must be difficult for anyone to persuade people to purchase so-called next generation consoles.

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Kikizo: Yes, although talking in strategic terms Microsoft has established itself in the marketplace, and thinks it has a chance to become a major player such as Sony or yourselves. It thinks the next generation will be a level playing field, and I am wondering what you think in strategic terms about for example how important it is to enter the market at roughly the same time as them?

Satoru Iwata: Time-wise, we have repeatedly said that we won't be late; the next generation home console shall be launched at around the same time as our competitors will be launching their own products. It's simply that in the past, the delay of GameCube worked very disadvantageously to Nintendo. Having said that however, it's not the only issue we have to tackle. The more important thing is to come up with a really worthwhile console for people to purchase in the first place, one that must bring about revolutionary changes in the gameplay, and making sure that point is much more important - especially when other companies are trying to beef up the current technology in order to call them the next generation console.

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Kikizo: Perhaps we could talk about PSP, obviously it's a bit of a shot in the dark for Sony, as they've never done a handheld before, and obviously Nintendo owns the handheld market, but the way I see it, Sony is very good at marketing and a company you cannot

underestimate. Do you think it will compete with Nintendo DS and do you think it will be a success?

Satoru Iwata: Well, please do not misunderstand that DS is not going to compete with PSP, it is trying to create a brand new market that doesn't even exist for GameBoy Advance. The PSP will first have to fight against the GameBoy Advance. The installed base of GameBoy Advance will be 16 million units worldwide when PSP hits any part of the world. And when DS launches it will be changing how the portable game is played, so they have to tackle with the huge installed based of the GBA as well as try to challenge the new concept DS is establishing.

"DS is not going to compete with PSP, it is trying to create a brand new market that doesn't even exist for GBA."

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Kikizo: There was a documentary on British television recently that investigated the story behind Nintendo and its history and so on. It was trying to get access to Hiroshi Yamauchi to find out what his role in the company is nowadays, because I believe he still plays quite an active role in Nintendo, and I was wondering if you could shed any light on perhaps what involvement he has in current projects like DS and the next generation home machine?

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Satoru Iwata: Yes, Mr Yamauchi is still one of the board of directors at Nintendo Co. Ltd, and at the same time he is the principal shareholder of Nintendo - I should tell you that he is fine, physically, and he is smart as usual! [laughs] So when something very significant about Nintendo is happening, as one of the board member, he speaks out his opinion. However on everyday subjects, what to do and how to operate the company, he never makes any specific directions or instructions at all now. Also, among only the senior executive board of directors at Nintendo, we are forming so-called executive committee meetings, and to that meeting, Mr Yamauchi has never attended. Talking specifically about the DS, Mr Yamauchi specifically hit upon the idea, and proposed, "Why not have the two screens?" And at that time he was simply saying, "you have to be bold enough in coming up with new ideas like including two screens simultaneously." Our management team was also thinking about many other possibilities and the two screens idea became quite suitable for a combination of other ideas - and that is why we said, "thank you, we are going to take your idea!" [laughs].

"Mr Yamauchi specifically hit upon the idea, and proposed: 'Why not have the two screens?'"

- Satoru Iwata



Kikizo: We could ask the same about Mr Miyamoto as well, because I believe that his job description changed somewhat recently as well, perhaps you could tell us what his general involvement is now, and also his specific involvement in DS and maybe the next generation home console.

Satoru Iwata: Actually, the shift in the responsibility of development has occurred not only on Mr Miyamoto, but also me, myself. More specifically what we want Mr Miyamoto to do right now is concentrate making the firstparty software titles. His job description is not defined by specific game products like Nintendo DS or GBA - as far as the internal software development is concerned, we want him to focus on it. We want him to be involved on then actual development that before. And then, what happens with other collaboration titles or titles that have been made outside of Nintendo, we have created a new department, and that department is headed by me myself.

"What we want Mr Miyamoto to do right now is concentrate on making the firstparty software titles."

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Kikizo: Perhaps we can ask a financial question, because the share price fell somewhat earlier in the year but I believe that Nintendo has a lot of cash. Perhaps you could clarify the current financial position?

Satoru Iwata: Well, because I am the President of Nintendo I should not say anything about we are targeting this kind of price point for our share price and so forth, but the fact of the matter is, in terms of the power Nintendo has as a whole, for a few months last year the share price, I have to say, was beyond the level it should have been at the time, but I think it coincided with a time period when we were simply advocating to the market that we needed to change, that the market needs to change with new gameplay, but unfortunately we couldn't provide customers with tangible examples. Now, we have the DS and excellent GameCube and GBA software titles, which we can offer to the market this year and next, so I am really hopeful that people's view towards Nintendo shall be changed, and accordingly that can be reflected upon the share price. Having said that however, as the manager of Nintendo I should not be too concerned

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with very short term share price changes, otherwise, we are going to lose something important in the management.

Kikizo: Thank you very much for your time Mr Iwata.

Satoru Iwata: Thank you!

Adam Doree

Director, Kikizo

Interview conducted by Steve Boxer and Adam Doree